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APRIL 7, 2016

SPECIAL BULLETIN

FCC Local and Broadband Rate Data

The FCC’s Wireline Competition Bureau recently [released](#) the results of the 2016 rate survey for fixed voice and broadband services. The key amounts contained in the release are (1) the local rate floor, (2) reasonable comparability benchmark rate for fixed voice services, and (3) the reasonable comparability benchmark rate(s) for fixed broadband services.

Local Rate Floor. The FCC adopted a local rate floor in 2011’s *ICC/USF Transformation Order* that requires local residential rates (plus state regulated fees such as state USF charges) to be above a certain level or else High Cost Loop Support will be reduced. Subsequently, the FCC delayed and phased-in implementation of this rule once the local rate floor was calculated at \$20.46. For 2015, and for reporting purposes only (Form 481), the local rate floor was \$21.22 (a 4% increase). For 2016, the local rate floor is \$21.93 (again, only to be used for ETC reporting purposes). For rate-of-return carriers, the phase-in schedule remains the same (see April 6, 2016 *Special Bulletin*), and thus only lines with residential local rates below \$18.00 as of June 1, 2016 will experience any reduction in support.

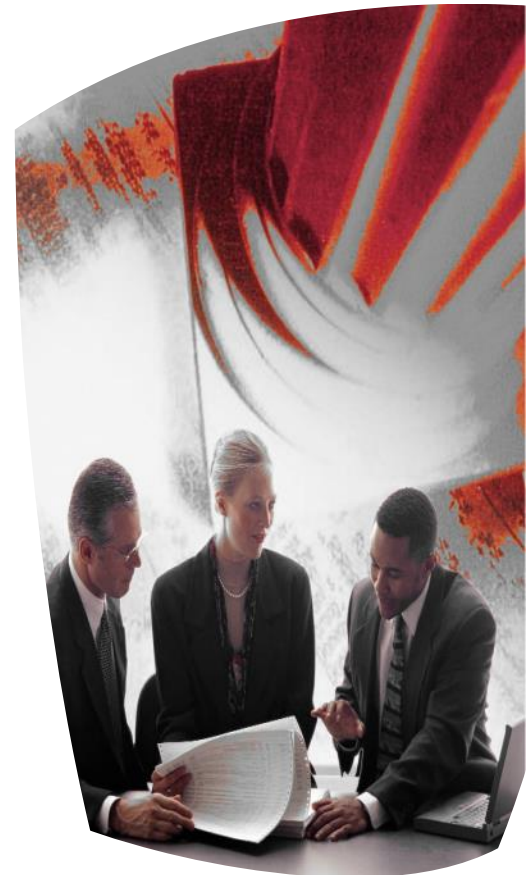
Local Rate Comparability Benchmark—Voice. The FCC requires that all ETCs must certify that pricing of basic residential voice services is no more than an annually-determined benchmark level. This year’s benchmark is \$41.07, an decrease from last year’s \$47.48 of around 13%. This annual certification is accomplished via the Form 481.

Broadband Reasonable Comparability Benchmark Rate. The FCC also adopted a reasonably comparable broadband rate requirement that will eventually apply to RoR carriers. The data for 2016 related to several speed and capacity tiers are (specific benchmark rates are determined via a formula, and reflect levels that are 2 standard deviations above the mean rates):

Download Speed (MBPS)	Upload Speed (Mbps)	Usage Allowance (GB)	Benchmark
10	1	100	\$69.14
10	1	150	\$71.17
10	1	250	\$73.72
10	1	Unlimited	\$75.20
25	5	250	\$87.76
25	5	Unlimited	\$89.24

RoR carriers *may* be required, in the **2016** Form 481 due July 1, 2016, to certify that at least one broadband plan is offered at rates below the benchmark (still awaiting PRA approval).

Please let us know if you have any questions.



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Questions? Comments?

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